November 14, 2021

Ms. Liane Randolph, Chair c/o Harborcraft California Air Resources Board 1001 | Street Sacramento, CA 95814

RE: Proposed Harbor Craft Engine Emission Regulations/Commercial Passenger Vessels

Dear Madam Chair,

I have owned Patriot Sportfishing in Avila Beach since 2012. In 2015 I expanded with the purchase Morro Bay Landing. I utilized all my savings and retirement to fulfill my dream of owning a marine excursion business on beautiful California's Central Coast. I currently provide the same business in two separate locations with twelve employees.

My passengers experience the following quality educational fun filled aquatic experiences such as: sportfishing, whale watching, bird watching, burials at sea, tagging trips from several universities, transportation for local, state, and federal governmental agencies...etc.

I am very much in favor of reducing emissions. However, the drafted regulations would have devastating repercussions. The temporary retrofits to my vessels are not financially reasonable much less the cost of new vessels.

However, the drafted regulations would deem my vessels worthless, thus not giving me enough equity after the sale if sold for even a deposit on a new supposably compliant vessel with an uncertain future of its existence.

If I am not able to remain in business this will adversely financially affect: my twelve employees, venders, web designers, credit card processing, banking, marine mechanics, the lack of tax revenues to the local, county, state, and federal taxing authorities, bookkeeping and all other resourced services.

Historically, CARB has regulated commercial fishing/whale watching boats and commercial passenger boats the same way – their engines are technically identical. CARB's proposed regulations apply a double standard with commercial fishing boats subject to substantially less stringent and less costly requirements. CARB should return passenger boats to the same vessel category as commercial fishing boats so that you can continue to transition to lower emission engines as it is economically feasible, and technology becomes available.

There are only 174 commercial passenger boats in California, or less than 10% of all harbor craft. CARB wants to punish the commercial passenger vessels while a large number of container ships sit idling off the Coast of California with no mention of emissions being emitted.

California Air Resources Board (CARB) has proposed cost prohibitive engine emission regulations that require technology that has not been developed or tested safe at sea.

CARB readily admits the proposed regulations are not compatible with some vessels, specifically stating that "vessel replacement will be likely, especially the categories with wood or fiberglass vessels." When more than 80% of vessels are constructed with these materials, many boat owners have concluded that they will go out of business in 3-6 years from the adoption of the proposed regulations.

CARB contends that this is economically feasible even though existing boats that cannot comply with the proposed regulations will have no resale value in California. Their solution; pass on the regulatory costs in the form of higher passenger tickets. Many of my customers are from California's Central Valley. These are hard-working middle-class people who cannot afford a price increase. Sportfishing is an occasional luxury and will become unaffordable if this bill passes.

CARB has refused to conduct an appropriate vessel replacement analysis.

The only credible comment by CARB is the fact that they concede that business elimination is possible but continues to withhold any analysis that led to this determination or how widespread the business elimination will be.

CARB staff cannot rule out the possibility of some business elimination if costs cannot be passed onto the customer or if passing through costs would result in significant decrease in demand.

The broad-based consensus among the boating industry is that CARB has grossly underestimated the cost of vessel replacement, especially since no assessment can be made on engine technology that has not been developed yet. If this proves to be so and if some replacement vessels cost double to triple CARB's estimate, business elimination will be significant.

When CARB developed its economic analysis, the Standardized Regulatory Impact Assessment, it failed to evaluate the financial impact the regulations would have on CDFW license sales and revenue.

California has one of the largest coastlines in the country and for most residents, commercial passenger boats provide their only access to offshore fishing and marine life.

CARB also failed to evaluate the overall economic impact on coastal communities, and specifically their hospitality and tourism industry. For many coastal communities, passenger boats are the primary draw for tens of thousands of visitors each year. It is important to note that California is also one of the largest retail markets in the country for outdoor products, generating millions of dollars in sales tax revenue.

The elimination of Morro Bay/Port San Luis' sportfishing and whale watching fleet, in whole or part, would have a devastating impact on the regional economy and jobs. The same could be said for most every harbor and marina community from Southern California to the Oregon border.

Governor Gavin Newsom recognizes that California draws millions of visitors from all over the United States and the world and has made it a priority to restore the half of the 1.2 million hospitality and tourism jobs lost during the pandemic. This laudable goal cannot be achieved without protecting commercial passenger boats that provide access to sportfishing, whale watching, marine life and scuba diving.

Passenger boat owners provide another public benefit that occurs, often unseen, but appreciated by community partners. Many boat owners provide schools and non-profit organizations access to the marine environment, often at little to no cost. Many of the beneficiaries of these fishing and marine life programs are school children, disadvantaged youth, and veterans. For many children, this is their first introduction to marine life and for wounded warriors, it is a source of mental rehabilitation. Greater regulatory costs would jeopardize these programs.

During the public comment period, CARB did not consult with the California Department of Fish and Wildlife, the California Fish and Game Commission, the Department of Boating and Waterways, the Coastal Commission, tourism authorities, chambers of commerce, harbor and marina organizations, port authorities, the United States Coast Guard or local government agencies up and down the California coast.

Boat owners share the desire to reduce engine emissions and they have been repowering their engines for years. However, rather than deny boat owners their livelihood, CARB should consider amending the draft regulations to incentivize boat owners to continue to upgrade their vessels to lower emission engines, using available and tested and feasible technology that does not require vessel replacement. This is the reasonable approach CARB has applied to commercial fishing vessels that bring fish to market, vessels with engines that are technically identical. What's more, commercial passenger vessels will no longer have access to Carl Moyer funds, a reliable source of state funding for repowering engines — while commercial fishing vessels will. CARB has failed to provide an acceptable answer as to why they have applied a double standard and with it, introduced catastrophic economic consequences for the families that operate passenger boats.

Our coalition implores the CARB board to protect the families and crew that depend on the boats that provide millions of Californians affordable access to offshore fishing and all the splendor of the sea.

Respectfully submitted,

Wade Gavin

Patriot Sportfishing, Inc.

dba Patriot Sportfishing - Avila

dba Morro Bay Landing - Morro Bay

P. O. Box 850

Avila Beach, CA 93424